

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 DPW-01 AID-20 DRC-01 EB-11

COME-00 SCEM-02 INT-08 /168 W  
----- 037443

R 051105Z DEC 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 9625

INFO CINCPAC

C O N F I D E N T I A L SAIGON 20425

EO 11652: GDS

TAGS: ENRG EGEN VS

SUBJ: NHA BE TANK FARM FACILITY

REF: A. SAIGON 20308 B. SAIGON 20303

1. FIRE AT SHELL FACILITY STILL BURNING AS OF TUESDAY, 4 DEC, UNLESS REMAINING FOUR LARGE STORAGE TANKS CATCH FIRE, APPEARS THAT FIRE WILL BE EXTINGUISHED 5 DEC, AND PERMIT ACCURATE ASSESSMENT OF DAMAGE/LOSS. SHELL DOCKS, DISCHARGE FACILITIES AND TRUCK LOADING FACILITY REMAIN INTACT AND PLANS ARE AFOOT TO CROSS-CONNECT WITH CALTEX (ESSO ALREADY CROSS-CONNECTED) WHO HAVE AGREED TO PROVIDE SHELL SAIGON AND ADJACENT AREA CUSTOMERS WITH PETROLEUM PRODUCTS. SHELL HAD STORAGE FOR 135,000 BARRELS PETROLEUM PRODUCTS; THERE NOW REMAINS 20,000 BARRELS STORAGE IN FOUR TANKS. HOWEVER, THESE PROBABLY RUPTURED AND REQUIRE REPAIRS BEFORE USABLE. ALOS, SHELL PIPING, VALVES, PUMPS, ETC, WILL REQUIRE EXTENSIVE REPAIRS AND REPLACEMENT BEFORE REMAINING SHELL FACILITIES CAN BE USED.

2. TOTAL STORAGE CAPACITY OF THESE FACILITIES AT NHA BE BEFORE FIRE WAS ABOUT 230,000 BARRELS. THERE NOW REMAINS ABOUT 120,000 BARRELS STORAGE. AT MEETING THIS MORNING WITH  
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MINISTER OF INDUSTRY AND TRADE CUONG AND THREE OIL COMPANIES,

IT WAS ESTIMATED THAT TOTAL THROUGH-PUT CAPACITY FOR INLAND DISTRIBUTION OF CIVILIAN PETROLEUM PRODUCTS HAS, FOR THE SHORT TERM BEEN REDUCED 40 PERCENT DECREASING TO 25-30 PERCENT WITHIN THE NEXT FOUR WEEKS.

3. SHELL REPORTS THAT TANKS WERE SAPPED WITH PLASTIC EXPLOSIVES PLACED AT OUTLET VALVES. THIS PERMITTED FUEL TO FLOW OUT OF TANKS WHERE IT WAS THEN FIRED BY ROCKET ATTACK. ATTACK WAS SYSTEMATIC AND THOROUGH.

4. LAST NIGHT THE GVN PLACED THE FOLLOWING MEASURES INTO EFFECT TO CONSERVE PETROLEUM PRODUCTS:

A. GAS STATIONS WERE OPENED AND CUSTOMERS WERE ALLOWED 10 LITERS FOR FOUR WHEELED VEHICLES AND 2 LITERS FOR TWO OR THREE WHEELED VEHICLES.

B. STREET LIGHTS TO BE REDUCED TO BARE MINIMUM, ALL LIGHTED ADVERTISING PROHIBITED, NIGHT LIGHTING OF SPORTS AREAS PROHIBITED.

C. GAS STATIONS ORDERED CLOSED SATURDAYS AND SUNDAYS.

D. AIR CONDITIONING OF GOVERNMENT BUILDINGS AND PRIVATE HOMES PROHIBITED.

E. ON DECEMBER 10, GOVERNMENT OFFICE BUSINESS HOURS TO BE CHANGED TO REDUCE TWO HOUR LUNCH PERIOD TO ONE HOUR. OFFICE HOURS 8 TO 1200 AND 1300 TO 1700, MONDAY-FRIDAY; 8-12 SAT.

F. NO RESTRICTIONS WERE PLACED ON DIESEL FUEL OR KEROSENE SALES.

G. ANNOUNCED GOVERNMENT GOAL AS TO REDUCE ELECTRIC POWER CONSUMPTION AND GASOLINE CONSUMPTION BY 50 PERCENT.

H. FUEL RATIONING TO BE STUDIED AND TO BE IMPLEMENTED IN NEAR FUTURE.

I. AIR VIETNAM WAS ORDERED TO REDUCE IN-COUNTRY FLIGHT  
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SCHEDULES BY 50 PERCENT.

J. NO CONTAINER SALES OF PETROLEUM PERMITTED.

5. AT MEETING CONDUCTED, MINISTRY OF TRADE AND INDUSTRY, WITH USAID PARTICIPATION, SUGGESTED ADDITIONAL MEASURES TO FURTHER REDUCE FUEL CONSUMPTION. MINISTER CUONG AGREED TO PRESENT THESE TO THE GOVERNMENT AND APPEARED

ENTHUSIASTIC. MEASURES SUGGESTED WERE:

A. IMMEDIATELY CLOSE ALL SCHOOLS UNTIL AFTER TET HOLIDAYS  
TO REDUCE USE OF VEHICLES TO AND FROM SCHOOL.

B. BAN ALL SUNDAY DRIVING EFFECTIVE FROM 2000 SATURDAY  
THROUGH 0500 MONDAY. EXCEPTIONS BEING PUBLIC TRANSPORTATION,  
EMERGENCY VEHICLES AND TRUCKS ENGAGED IN CARRYING GOODS.

C. BAN ALL DRIVING FROM 2000 NIGHTLY UNTIL 0500 THE  
FOLLOWING MORNING EXCEPTIONS BEING AS IN PARA B ABOVE.

D. GOVERNMENT OFFICE HOURS TO BE CHANGED IMMEDIATELY  
TO 0700-1400 MONDAY THROUGH FRIDAY; 0700-1200 SAT.

6. PRINCIPAL CIVILIAN SHORTAGES NOW APPEARS TO BE GASOLINE,  
FUEL OIL AND AVIATION FUELS. KEROSENE WILL SOON BECOME  
SCARCE AS GOVERNMENT HAS NOT YET IMPOSED RATIONING BUT RATIONING  
EXPECTED SHORTLY. SHELL HAS ADVISED ALL THEIR AIR AND SHIPPING  
CUSTOMERS THAT THEY WILL NOT BE ABLE TO HONOR CONTRACTS.  
ESSO AND CALTEX WILL SERVICE ONLY THEIR CONTRACT CUSTOMERS FOR  
THESE TWO PRODUCTS.

7. USAID, GVN AND OIL COMPANIES ARE EXPLORING THE USE AND  
AVAILABILITY OF FLOATING STORAGE. THIS INCLUDES USE OF  
PETROLEUM BARGES AND POSSIBLE TEMPORARY USE OF THE TWO  
T-2 TANKERS (FLOATING GENERATORS) AT VUNG TAU. MISSION IS  
ALSO SURVEYING PETROLEUM FACILITIES AT CAM RANH BAY FOR  
POSSIBLE CIVILIAN USE IN EVENT CIRCUMSTANCES DICTATE THESE  
BE USED. WE ARE ALSO REVIEWING ENTIRE PETROLEUM PICTURE  
VIETNAM.

8. ALTHOUGH SHELL HAS NOT YET MADE THE DECISION TO REBUILD  
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THEIR NHABE FACILITY, THEY NOW ESTIMATE THAT 75 PERCENT OF THE  
ORIGINAL CAPABILITY COULD BE RESTORED WITHIN SIX MONTHS.  
THIS IS ANOTHER  
PRELIMINARY ESTIMATE AND 7-10 DAYS WILL BE REQUIRED BEFORE  
BETTER ESTIMATES CAN BE DEVELOPED.  
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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
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